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IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

No. [redacted] 154

FORT HOWARD PAPER COMPANY, A CORPORATION,
Opposer-Petitioner,

vs.

KIMBERLY-CLARK CORPORATION, A CORPORATION,
Applicant-Respondent.

PETITION FOR REHEARING FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS.

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THE DUNHAM-WARREN PRINTING COMPANY, CHICAGO

IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

No. 1492.

FORT HOWARD PAPER COMPANY, A CORPORATION,
Opposer-Petitioner,

vs.

KIMBERLY-CLARK CORPORATION, A CORPORATION,
Applicant-Respondent.

PETITION FOR REHEARING FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS.

Petitioner prays this Court rehear and reconsider its decision, dated October 14, 1968, denying Petitioner's request for a writ of certiorari to review the decision of the United States Court of Customs and Patent Appeals entered in the above entitled Trademark Opposition on March 14, 1968.

GROUNDS FOR REHEARING.

The decision of the court below results in an unconstitutional and congressionally unintended construction of the Trademark Act of 1946, as amended, 60 Stat. 427, 15 U. S. C. 1051 *et seq.*, and creates substantive law directly opposed to that set forth by the Supreme Court in *United Drug Co.* v. *Theodore Rectanus Co.*, 248 U. S. 90 (1918).

The lower court's ruling establishes that "intent" to engage in future interstate commerce, alone, without corresponding acts, is sufficient to constitute the "interstate commerce" necessary to trigger federal regulatory power under the commerce clause in the trademark field.

This Court long ago ruled that trademark rights do not project beyond the actual use of the trademark in commerce.

> "It results that the adoption of a trademark does not, at least in the absence of some valid legislation enacted for the purpose, project the right of protection in advance of the extension of the trade. . . ." *United Drug Co.* v. *Theodore Rectanus Co.*, 248 U. S. 90, 98 (1918).

In addition, this Court has clearly held, on constitutional grounds, that congressional trademark legislation may only operate in regulating existing interstate commerce. *Trademark Cases*, 100 U. S. 82, 25 L. Ed. 550 (1879). That legislation may not affect substantive trademark law. *American Trading Co.* v. *H. E. Heacock Co.*, 285 U. S. 247, 256 (1932).

The decision of the court below permits an artificial, forward time projection of a deminimus, formal $1.91 interstate transaction for the sole purpose of "creating" federal jurisdiction over a trademark application at a time when absolutely no commerce of any type in the trademarked product existed. Petitioner submits that this court-intended result is at variance with the power of Congress to regulate commerce and is fully at variance with the explicit wishes of Congress as set forth in the applicable statute. See *Trademark Cases, supra.* The 1946 Trademark Act provides:

> "The owner of a trademark *used* in commerce may register his trademark under this Act on the principal register hereby established:
> (a) By filing in the Patent Office—
> * * * the goods in connection with which the mark *is used* * * * *is used* * * * and including a state-

> ment to the effect that the person making the verification believes . . . that the mark *is in use* in commerce, . . .'' 15 U. S. C. § 1051. (Emphasis added.)

The commerce referred to must be interstate commerce. *Trademark Cases, supra.*

Congress recognized the ex parte nature of the verified statement of current interstate commerce use by making the declarant liable for false—not necessarily fraudulent —statements in the application for registration:

> ''Any person who shall procure registration in the Patent Office of a mark by a false or fraudulent declaration or representation, oral or in writing, or by any false means, shall be liable in a civil action by any person injured thereby. . . .'' 15 U. S. C. § 1120.

The intent of Congress is manifestly clear that it intended to regulate commerce by creating substantive federal rights arising out of *existing* interstate commerce—not to allow preemption of rights based only on anticipated, future commerce. This ''intent'' is made more obvious when measured against a background which shows that this Court had previously held a trademark statute of Congress to be unconstitutional for failing to define the ''commerce'' sought to be regulated. *Trademark Cases, supra.*

> ''The right to a trade-mark exists independently of the statute. Registration simply constitutes prima facie evidence that the registrant is entitled to the mark. *Fulton Waterworks Co.* v. *Bear Lithia Spring Co.*, 47 App. D. C. 438.
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> * * * * *
>
> 'The trade-mark recognized by the common law is generally the growth of a considerable period of use, rather than a sudden invention. * * * The exclusive right to it grows out of its use, and not its mere adoption.' *Trademark Cases,* 100 U. S. 82, 94 (25 L. Ed. 550); *Macmahan Pharmacal Co.* v. *Denver Chemical Mfg. Co.*, 113 Fed. 468, 472,

51 C. C. A. 302; *American Washboard Co.* v. *Saginaw Mfg. Co.*, 103 Fed. 281, 287, 43 C. C. A. 233, 50 L. R. A. 609."

Phillips v. *Hudnut*, 263 F. 643, 644 (D. C. Cir. 1921).

The facts in this case are simple and undisputed. On December 27, 1962, respondent, at the request of its legal department, shipped $1.91 worth of goods bearing its alleged mark from Neenah, Wisconsin to Waukegan, Illinois. No further commerce in the products bearing the alleged trademark was engaged in until July, 1964—a lapse of almost eighteen months. On January 15, 1963, respondent applied for a federal trademark registration claiming that the trademark was "in use," in interstate commerce.

The Court of Customs and Patent Appeals has ruled that a prior, deminimus, one-time, interstate use of a trademark, for the sole purpose of "creating" federal rights, coupled with specific private *intent* to again use the mark in interstate commerce in the distant future is sufficient to place the trademark under the regulatory control of Congress. This ruling is in direct conflict with Article I, Section 8 of the Constitution of the United States.

In addition to creating substantive trademark rights in the absence of existing use of the trademark in commerce —a practice not allowed by this Court[1]—the decision otherwise conflicts with the regulatory scheme of Congress in passing the trademark statutes.

Congress expressly provided a means whereby the public, or any member thereof, could oppose a federal trademark registration by showing that the opposer would be damaged by allowance of the registration. The principal means of demonstrating damage is to prove actual confu-

1. See page 2, *supra*.

sion in the mind of a significant segment of the public as to the difference between a pre-existing trademark of opposer and the proposed trademark of the applicant. 15 U. S. C. § 1063.

Without concurrent, existing use in (interstate) commerce of applicant's mark, there is no possibility of proving actual confusion by the public between opposing marks. If the public does not know of applicant's mark it cannot be confused by it. To permit registration under these circumstances is not only poor public policy, but it runs against a primary purpose of the statute—to protect the consumer from confusion in interstate commercial transactions involving the trademark.

Congress has the power to pass statutes regulating interstate commerce. The regulation attaches to an existing or future act only at the time of the act. It is a truism to say that the concept of regulating *past* commerce is illogical—the event precedes the regulation. Nevertheless, what the court below has done is to resurrect a deminimus prior act and project it into the future to establish an interstate commerce basis for the exercise of federal regulatory power. The Constitution and prior decisions of this Court demand more. The court's decision perverts the legislative scheme of Congress.

Other courts, while not specifically recognizing the constitutional principle involved, have refused to allow formalistic preemption of trademark rights under the guise of the federal statutes.

> "Phillips claims May, 1914, as the time he commenced the use of the mark. In that month he had no established place of business, but made some sample boxes of toilet powder, placed upon them the mark here involved, and then forwarded them from New York, through the house for which he was then working, to

three dealers in goods of that character, one in Texas, one in Philadelphia, and one in New Orleans. The boxes were sent without previous request by the consignees, and the price paid for each was 5 cents, the usual sale price of such an article being about 50 cents. No other use of the mark was made by him until 1916. The Assistant Commissioner held that this was not 'a bona fide business transaction—was not doing business on Phillips' part, and was a mere laying basis for the filing of his application for registration, and created no trademark rights in Phillips.' " *Phillips* v. *Hudnut*, 263 F. 643, 644 (D. C. Cir. 1920).

CONCLUSION.

The decision of the Court of Customs and Patent Appeals results in an unconstitutional and congressionally unintended construction of the Trademark Act of 1946, as amended, and runs counter to prior decisions of this Court. The practical effect of the decision is to frustrate the purpose of the regulatory system formulated by Congress in exercising its constitutional powers to regulate interstate commerce in this important area of product identification.

The interests of Petitioner and all others who engage in interstate commerce using distinctive trademarks, as well as the consumers of trademarked products, require that this Court exercise its reviewing function to reverse the erroneous decision of the court below.

Petitioner respectfully asks this Court to reconsider its denial of Petitioner's request for a Writ of Certiorari to the United States Court of Customs and Patent Appeals.

Respectfully submitted,

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Rule 58(2) Certificate of Counsel.

Counsel for Petitioner hereby certifies that the foregoing Petition for Rehearing is presented in good faith and not for purposes of delay. Counsel further certifies that the Petition presents substantial grounds available to Petitioner although not previously presented, as set forth in Rule 58(2).

ELLSWORTH M. JENNISON,
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Certificate of Service.

This is to certify that two (2) copies of the foregoing Petition for Rehearing were served by mail, first class, postage prepaid, on Dean A. Olds, Suite 1600, 38 S. Dearborn Street, Chicago, Illinois 60603, Counsel for Respondent, this ..... day of November, 1968.

Counsel for Petitioner.